JOURNAL

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Regional dialogue comments close soon

Oct. 18 is the last day for comments in the regional dialogue being conducted jointly by the Northwest Power Planning Council and BPA on finding the best ways to market Northwest federal power after 2006. Regional power customers have asked for clarity about their BPA power supply after 2006 so they can plan more effectively for the future. The issues range from how renewables and conservation will be treated to who gets access to federal power and how much.

"This is an important process and one that will have far-reaching implications for BPA, our customers and others for many years into the future," said Fred Rettenmund, BPA regional dialogue project manager. "We've received some significant proposals and those, along with the public comments, are positive steps toward crafting a draft BPA proposal due out in early 2003."

Proposals can be viewed on the Northwest Power Planning Council Web site at *www.nwppc.org/energy/bparole/comments/default.asp.*

What would we do in another dry year?

Comments are due by Oct. 31 on a draft "Guide on Dry Year Tools and Principles" that BPA released in September *(see "New Projects" in the public involvement section)*. The guide offers resource, load reduction and reliability enhancement tools BPA could use should an extremely dry year make it difficult to meet power needs. The draft guide looks only at power issues. Alternative fishery operation and financial tools are addressed in other processes. BPA plans to finish the guide in time to help inform the annual hydro operations planning process, which will begin when the first 2003 water volume forecast is released late this year. The draft principles can be viewed via the BPA Web site at *www.bpa.gov/power/pgp/dryyear.*

Kaiser Aluminum Corp. power sales contract terminated

The power sales contract between the Bonneville Power Administration and Kaiser Aluminum Corp. is terminated. The U.S. Bankruptcy Court in Delaware approved Kaiser's motion to reject the 2002-2006 subscription contract with BPA. Kaiser sought to avoid "take or pay" penalties that it would incur beginning Oct. 1. Under the contract, the company would have to pay BPA the difference between Kaiser's original price and any lower market price if BPA has to sell unused Kaiser power in the market. The contract entails 291 megawatts of power. Had the contract remained open, Kaiser could have faced obligations the company estimated at $1 million to $2 million per month.

BPA linemen dangle 250 feet above the Columbia River near The Dalles, Ore., riding a 20-inch wide "space" cart to install aircraft marker balls along the Harvalum-Big Eddy transmission line.

The company has a separate transmission agreement with BPA that is not affected by the bankruptcy court decision. Kaiser filed for chapter 11 bankruptcy in March 2002.

BPA plans to file a "proof of claim" in the bankruptcy court to recover damages covering the years 2002-2006 had the contract run its course.

$6 billion spent on fish and wildlife

The Northwest Power Planning Council released a draft report pegging BPA's total costs for fish and wildlife from 1978 through 2001 at more than $6 billion. These total costs include direct expenditures and hydro operations for fish.

The council's figures contrast sharply with a recent General Accounting Office report that put BPA's direct expenditures on fish and wildlife 1997-2001 at $378 million. BPA's actual total fish and wildlife costs are $3.66 billion for 1996-2001 alone.

The biggest cost figures GAO missed are the costs of hydro operations for fish, which includes foregone revenues and additional power purchases. Since 1978, BPA's expenditures for such hydro operations total $3.44 billion. The council's draft report shows that, in addition to fish operations costs, BPA spent about $2.6 billion on direct expenditures for fish and wildlife between 1978 and 2001.

U.S. Army Corps to adapt dams for fish

The U.S. Army Corps of Engineers will make major improvements to four lower Snake River dams and reservoirs to help fish pass more safely through reservoirs rather than removing the dams. That's the essence of the Corps' final decision on its five-year study of dam options.

The Corps plans to improve both river operation and the dams' physical structures. Operation changes include improving the coordination and implementation of spill, flow augmentation and juvenile fish transportation. Structural improvements range from spillway improvements to turbine upgrades and removable spillway weirs, among others. The combined cost of structural improvements and operational changes is estimated at $390 million over 10 years.

The dams and locks cost $36.5 million a year to maintain. Power, transportation and water supply provided by the lower Snake River dams are valued at $324 million a year.

RTO West passes another test

The Federal Energy Regulatory Commission (FERC) has approved another step in a plan for Pacific Northwest electric utilities to combine their transmission networks together into an eight-state grid. The FERC said the plan submitted by the group's 10 members, including BPA, complies with its guidelines for a regional transmission organization (RTO). The plan will undergo further development in collaboration with Northwest stakeholders, regulators and legislators and through technical conferences with the FERC.

BPA has been applying a set of five broad principles to guide the development of RTO West and to help determine the agency's eventual participation in the regional transmission group. The principles state that RTO West should establish, maintain and enhance reliability; provide for system adequacy and safety; facilitate market competition; improve efficiency; and provide for equity among the members in dealing with costs and assets.

Conservation, renewable report out

In the last 20 years, BPA has acquired enough energy conservation to serve Portland, Ore., more than 800 average megawatts.

Today, BPA has the largest renewable portfolio of any U.S. utility. It is buying over 250 megawatts of power from new renewable resources, including six wind, one geothermal and two solar projects and is considering another 580 megawatts of wind.

These are a few of the salient facts in a recent report titled "Overview of BPA's Energy Efficiency and Renewable Resource Programs." The report notes that this year's conservation contracts signed and megawatts delivered exceed their targets. Conservation costs per megawatt have been steadily dropping. "BPA is continuing to look for ways to bring the cost of conservation down by leveraging its limited resources and partnering," it concludes.

NW electricity demand forecast up

In the next 20 years, demand for electricity in the Northwest could grow by 320 megawatts a year. That's the word from the Northwest Power Planning Council's new draft 20-year electricity demand forecast. The forecast is part of the council's update of its Northwest Power Plan.

In its medium-range forecast, the council indicates total consumption of electricity in the region will grow from 20,442 average megawatts in 2000 to 28,464 by 2025, with an average annual growth rate of 1.33 percent. The industrial sector, excluding direct-service industries such as aluminum plants, will grow the fastest followed by the residential sector. The commercial sector forecast is for "significantly slower growth than in the past."

The council cautions that, "The long-term forecasts should be viewed as estimates of future demand, unreduced for conservation savings beyond what would be induced by consumer responses to price changes."

The council's forecast of BPA's demand growth rate is somewhat higher (1.49 percent a year) but excludes all DSIs.

Manufactured home saves energy

The most energy-efficient manufactured home in the U.S. houses operations staff at the Nez Perce fish hatchery in Cherry Lane, Idaho. The home is a joint demonstration project of BPA, Washington State University and the Nez Perce Tribe, with extensive support from the manufactured housing industry and innovative building technology suppliers.

The so-called "Zero Energy Manufactured Home" features extensive insulation, a built-in 4.2-kilowatt solar photovoltaic generation system and a solar domestic hot water heater. Other features are: Energy Star™ windows, appliances and lighting; Energy Star™ heating and cooling equipment; an Insider heat pump; a heat recovery ventilation system; and passive solar design.

PUBLIC INVOLVEMENT

Updates and Notices

NEW PROJECTS

Draft Guide to the Tools and Principles for a Dry Year Strategy

This draft describes the principles that would guide decision making regarding the use of specific tools in a dry year to balance the environment, power supply and reliability facets of the Federal Columbia River Power System should a critically dry year, such as the one experienced in 2001, occur again between now and 2007. The draft is available for review and comment. The comment period is open until Oct. 31. Comments may be e-mailed to *dryyearguide@bpa.gov* or mailed to Eric King – PGPL, Bonneville Power Administration, PO Box 3621, Portland, OR 97208.

ONGOING PROJECTS

Cliffs Energy Project ROD – Klickitat Co., Wash.

BPA is analyzing possible transmission interconnection services at Harvalum Substation for a combustion turbine generation plant proposed by GNA Energy LLC (GNA). GNA would build the power plant, five miles of new natural gas line and 700 feet of 230-kV transmission line to BPA's Harvalum Substation. Klickitat County issued a Mitigated Determination of Non-Significance on June 6 for the power plant project. BPA did not receive any comments on the proposal during the comment period that closed July 8. A Record of Decision is expected this fall.

COB Energy Facility Interconnect EIS – Klamath Co., Ore.

Peoples Energy Resources Corp. has requested interconnection of its proposed 1,200-MW combustion turbine project at a site near Bonanza in Klamath Co., Ore. The project would require a new 500-kV transmission line to BPA's Captain Jack Substation. The project is subject to Oregon Energy Facility Siting Council certification. The draft EIS is scheduled for publication this fall.

Fed. Columbia River Power System Implementation Plan

This federal draft plan for Columbia River Power System Operations in 2002-2006 would carry out biological opinions issued under the Endangered Species Act. See *www.salmonrecovery.gov.*

Fish and Wildlife Implementation Plan EIS – Regionwide

This EIS examines potential impacts of implementing any of the fish and wildlife policy directions being considered in regional processes. BPA has developed a preferred alternative from the regional guidance. The final EIS is expected later this year.

Grand Coulee-Bell 500-kV Transmission Line (Eastern Washington Reinforcement) EIS – Wash.

This project would replace about 84 miles of 115-kV transmission line with a new, higher capacity 500-kV line. The proposed line would connect BPA's Bell Substation in Spokane to the Bureau of Reclamation's switchyard at Grand Coulee Dam. It would be located primarily on existing BPA right-of-way. A draft EIS is available. Public meetings have been held and comments are closed. See *www.transmission.bpa.gov/projects* for more information.

Grande Ronde and Imnaha Spring Chinook Project EIS – Wallowa and Union Cos., Ore.

This project would build fish trapping, incubation, rearing and release hatchery facilities to help boost native spring chinook salmon populations in the Lostine and Imnaha rivers of Northeast Oregon. Planned hatchery facilities would modify and augment existing Lower Snake River Compensation Plan facilities. A summary of the public scoping comments is available on request. A draft EIS will be available for comment later this year.

Grizzly Generation Project EIS – Jefferson Co., Ore.

Cogentrix proposes to build a 980-MW combined-cycle combustion turbine power plant and has requested interconnection at BPA's Grizzly Substation. An EIS will evaluate natural gas, water pipeline and transmission easements for facilities servicing the project. The U.S. Forest Service is the lead federal agency; BPA and the Bureau of Land Management are cooperating. Oregon EFSC is conducting a coordinated state siting process. Grizzly Power's site application to Oregon EFSC is expected to be completed in fall 2002. The Oregon Office of Energy must find the application complete before it can conduct its formal review of the application for site certification.

Horse Heaven Wind Project EIS – Benton Co., Wash.

BPA proposes to purchase up to 50 aMW from a 225-MW wind project proposed by Washington Winds Inc. The developer would build, own and operate the project and would build about 12 miles of transmission line to interconnect with BPA's transmission grid.

Johnson Creek Artificial Propagation Enhancement EA – Valley Co., Idaho

This project seeks to recover the creek's depleted native summer chinook salmon population. It would include additional facilities at the McCall Fish Hatchery in McCall, Idaho, and acclimation facilities along Johnson Creek. This project is currently on hold.

Kangley-Echo Lake Transmission Line Project – King and Kittitas Cos., Wash.

BPA proposes to build a 500-kV transmission line to connect an existing transmission line near Kangley to BPA's Echo Lake Substation in western Washington. BPA's preferred alternative would run parallel to the major portion of the Raver-Echo Lake 500-kV line. The project is needed to improve transmission system reliability and to enhance BPA's ability to meet treaty requirements with Canada. BPA is preparing a supplemental draft EIS (SDEIS) that will analyze four alternatives not considered in detail in the draft EIS. Six public meetings were held in June and July to take comments on the scope of the SDEIS. The SDEIS will be released for a 45-day public and agency review in January 2003. Public meetings will follow. See *www.transmission.bpa.gov/projects* for more information.

Maiden Wind Farm EIS – Benton and Yakima Cos., Wash.

Washington Winds Inc. proposes to build and operate a wind project of up to 494 MW north of Prosser. BPA proposes to acquire and transmit up to 50 aMW, but will study the full electrical output of the project. The draft EIS is available. See *www.efw.bpa.gov/cgi-bin/PSA/NEPA/SUMMARIES/MaidenWindFarm.*

McNary-John Day 500-kV Line Project – McNary to John Day dams, Ore. and Wash.

BPA proposes to build about 79 miles of new 500-kV transmission line parallel to existing BPA lines between McNary and John Day substations. The line would cross the Columbia River below McNary Dam, run parallel to the north side of the Columbia through Benton and Klickitat counties and cross back into Oregon near John Day Dam. It is needed to integrate some of the many new generating projects considered for this area and to reinforce transmission reliability. The final EIS is available. A Record of Decision is expected this fall. See *www.transmission.bpa.gov/projects* for more information.

Noxon to Kalispell (Libby Loop Section) Fiber Optic Cable Project

BPA plans to add fiber optic cable to some of the existing transmission lines between the Noxon Communications Hut in Sanders County, Mont., and the Libby Substation located in Lincoln County, Mont. The project route is approximately 23 miles in length. This fiber optic cable installation will complete work that was started last year. The cable, which ranges from ¾ to 1 inch in diameter, will be attached to each transmission structure along the route.

Plymouth Generating Facility EIS – Benton Co., Wash.

Plymouth Energy requested interconnection of its proposed 306-MW combustion turbine project near Plymouth in Benton Co., Wash. BPA is preparing a joint NEPA/SEPA EIS with Benton Co. A draft EIS is available for review.

Raymond-Cosmopolis 115-kV Transmission Line EA – Grays Harbor and Pacific Cos., Wash.

BPA proposes to rebuild an existing 115-kV transmission line between Raymond and Cosmopolis, roughly parallel to Hwy. 101. Most of the 18-mile-long line will remain in existing right-of-way. A preliminary EA will be available for public review in fall 2002. See *www.transmission.bpa.gov/projects* for more information.

Salmon Creek EIS – Okanogan Co., Wash.

BPA proposes to fund a project to enhance fish habitat and fish passage and to increase instream flows in 4.3 miles of lower Salmon Creek, a tributary of the Okanogan River. The project would rehabilitate the stream channel, revegetate stream banks and increase streamflows. A draft EIS is anticipated in summer 2003.

Satsop Combustion Turbine (Phase I) ROD – Grays Harbor, Wash.

Duke Energy requests integration of its 650-MW Satsop Combustion Turbine Phase 1 project near Elma, Wash., into the federal transmission grid. To supply natural gas to the facility, Williams Gas Pipeline proposes to construct a new gas pipeline. The Federal Energy Regulatory Commission issued a Finding of No Significant Impact on the proposed gas pipeline.

Schultz-Hanford Area 500-kV Line Project – near Ellensburg to near the Hanford Reservation, Wash.

BPA proposes to build a new 500-kV line from Schultz Substation to the new Wautoma Substation, southwest of the Hanford Monument. A Final EIS is expected in December and a Record of Decision is expected in January 2003. See *www.transmission.bpa.gov/projects* for more information.

Solicitation of Proposals and Comments on BPA's Power Supply Role 2006

A regional discussion regarding how BPA will market power and share the costs and benefits of the Federal Columbia River Power System in the Pacific Northwest after 2006 is under way. In the first phase of this discussion, BPA and the Northwest Power Planning Council requested interested parties to share proposals and comments with the region. Proposals and comments that reached BPA prior to Sept. 12, were discussed at public meetings that occurred in September. The close of comment is Oct. 18, 2002. All proposals received will be posted to the council's Web site at *www.nwcouncil.org/energy/bparole/comments*. Please refer to BPA's Web site at *www.bpa.gov/power/pl/regionaldialogue/index.shtml* for additional information.

South Fork Flathead Watershed/Westslope Cutthroat Trout Conservation Program – Flathead National Forest, Mont.

BPA proposes to fund a project to remove exotic trout species from selected lakes in the South Fork of the Flathead drainage and replace them with genetically pure westslope cutthroat trout. BPA is preparing an Environ-mental Impact Statement. A scoping period will begin in the winter.

Summit/Westward Project – Columbia Co., Ore.

Westward Energy Co. proposes a 520-MW natural-gas-fired, combustion-turbine facility in Columbia County near Clatskanie, Ore., and requested interconnection to the federal grid. EFSC is the lead agency for the environmental review of the generation project; BPA has the lead on integrating transmission.

Umatilla Generating Project EIS – Umatilla Co., Ore.

Umatilla Generating Co. LP. proposes to build a 550-MW combined-cycle combustion turbine. Umatilla Electric Co-op would reconductor about 11 miles of transmission to 230-kV and build about a half mile of new 230-kV line to BPA's McNary Substation, where BPA would integrate the power into the grid. A final EIS is available. See *www.efw.bpa.gov/cgi-bin/PSA/NEPA/summaries/Umatilla*. BPA expects to issue a ROD on the interconnection this fall.

Wallula-Smiths Harbor Transmission Line Project – Walla Walla Co., Wash., and Umatilla Co., Ore.

Two segments of a 500-kV transmission line are proposed for construction between Wallula, Wash. and McNary Substation near Umatilla, Ore. A 5.1-mile segment would connect power from a 1,300-MW natural-gas-fired combined-cycle combustion gas turbine facility (the Wallula Power Project) to a new BPA switchyard (Smiths Harbor) near Wallula Junction in Walla Walla County, Wash. A 28-mile segment of transmission line adjacent to an existing transmission line was proposed between the Smiths Harbor switchyard and BPA's existing McNary Substation, but will not be built at this time because it is not needed for firm transmission of power from the Wallula power project. A Final EIS was released to the public Aug. 16. A Record of Decision is expected this fall. See *www.efsec.wa.gov/wallula.html* or *www.transmission.bpa/projects* for more information.

Wanapa Energy Center Generation Proj. EIS – Umatilla Co.

The Confederated Tribes of the Umatilla Indian Reservation requested interconnection of the Wanapa Energy Center, a proposed 1,300-MW gas-fired combined-cycle combustion turbine project, into the transmission grid. The project would be located on tribal trust land. The Bureau of Indian Affairs plans to prepare an EIS on the project, and BPA is participating as a cooperating agency. A draft EIS is expected in December 2002.

SUPPLEMENT ANALYSES

Watershed Management EIS

- SA-89 Umatilla River Basin Anadromous Fish Habitat Enhancement (Hartman Riparian Restoration) Project
- SA-88 John Day Watershed Restoration (2002-03)
- SA-87 Protect and Restore the Asotin Creek Watershed – Upper Charley Subwatershed Ecosystems Restoration Projects (road obliteration)

CALENDAR OF EVENTS

Transmission Business Line Rate Case Customer Workshops

TBL will host one more workshop to kick off 2004 rate case discussions. Two meetings were held earlier.

Oct. 3, 9 a.m., BPA Headquarters, Rates Hearing Room, 905 N.E. 11th Ave., Portland, Ore.

CLOSE OF COMMENT

Plymouth Generating Facility EIS

Close of comment – Oct. 15, 2002

Solicitation of Proposals and Comments on BPA's Power Supply Role 2006

Close of comment - Oct. 18, 2002

If you have questions or comments, or you want to be added to the mailing list for any project, call (503) 230-3478 (Portland) or 1-800-622-4519.

To order copies of documents, call: 1-800-622-4520 or (503) 230-7334. Written comments may be sent to: BPA, P.O. Box 12999, Portland, OR 97212. E-mail address: *comment@BPA.gov.* BPA home page: *http://www.bpa.gov.* For details on BPA environmental reviews listed above, including site maps and documents issued to date, see *http://www.efw.bpa.gov/cgi-bin/PSA/NEPA/Projects.* **Process Abbreviations:** DEIS-Draft Environmental Impact Statement, EA-Environmental Assessment, EFSEC-Washington Energy Facility Site Evaluation Council, EFSC-Oregon Energy Facility Siting Council, EIS-Environmental Impact Statement, FONSI-Finding of No Significant Impact, NOI-Notice of Intent, ROD-Record of Decision, SA-Supplement Analysis.

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